

July 1, 2005

THE HONORABLE TIM SHELDON, STATE SENATOR
PO BOX G
HOODSPORT WA 98548

DAVID OVERTON
PO BOX 1089
BELFAIR WA 98528

Subject: Complaint Filed Against Citizens for Ethics in Mason County Politics – PDC
Case No. 05-115

Dear Senator Sheldon & Mr. Overton:

The Public Disclosure Commission (PDC) staff has completed its investigation of your complaints received on November 12 and November 30, 2004. The complaints alleged that Citizens for Ethics in Mason County Politics (CEMCP): 1) failed to timely register and report its campaign activities and failed to timely file Last Minute Contribution (LMC) Reports; 2) failed to include proper sponsor identification on its advertising; and 3) received contributions in excess of \$5,000 within 21 days of the 2004 general election.

The PDC staff reviewed your allegations in light of the following statutes:

RCW 42.17.040 requires every political committee that is organized within three weeks of an election to file a statement of organization within three business days after its organization or within three business days of the date it first has the expectation of receiving contributions or making expenditures in the election campaign.

RCW 42.17.080 and .090 require a political committee to file timely detailed reports of contribution and expenditure activities.

RCW 42.17.510 requires a sponsor of political advertising that is an independent expenditure to include the statement “Notice to Voters...”, followed by the committee’s “Top Five Contributors.”

RCW 42.17.105 requires a political committee within 21-days of a general election to file a special report with the PDC within 48 hours of receiving a contribution of more than \$1,000. The statute also prohibits a political committee from receiving contributions within 21-days of a general election from any one contributor in excess of \$5,000.

We found that:

Alleged Failure to timely register and report as a political committee, including LMC Reports:

- CEMCP contacted PDC staff on October 25, 2004, to request information about reporting its campaign activity. The treasurer of CEMCP was erroneously told that the committee had 14 days to register and report. The CEMCP treasurer was unavailable from October 26 until November 1, 2004, at which time he responded to a message from PDC staff requesting immediate reporting.
- Based on the October 25, 2004 conversation with PDC staff, the CEMCP treasurer believed the committee had 14 days to register and report from its first campaign activity on October 25, 2004.
- CEMCP was required to register with the PDC within three business days of its first activity (by October 28, 2004) because it organized within three weeks of the 2004 general election.
- On November 1, 2004, CEMCP submitted, by facsimile, a Political Committee Registration Statement (PDC Form C-1pc). The registration stated that the group supported Herb Baze and opposed Senator Sheldon, both candidates for Mason County Commissioner. The C-1pc was filed by CEMCP three days late on November 1, 2004.
- On November 1, 2004, CEMCP submitted, by facsimile, a C-3 report of contributions and a C-4 report summarizing its contributions and expenditures. The signed originals of the reports were postmarked November 1, 2004 and were received in the PDC office on November 2, 2004, the day of the 2004 general election.
- The C-3 report disclosed \$4,300 in contributions, including a \$2,700 contribution from the Lester Krueger family, received October 25, 2004. An LMC report was due within 48 hours of receipt, or by October 27, 2004, and a C-3 report was due by November 1, 2004. An LMC report was not filed by CEMCP for the \$2,700 contribution. The C-3 report filed November 1, 2004 made the LMC reporting five days late.
- The C-4 report disclosed \$3,939 in expenditures incurred on October 25, 2004. The expenditures included payments to the Bremerton Sun, the Shelton/Mason County Journal, and the Daily Olympian for political advertising. The C-4 report stated that the report included an independent expenditure supporting or opposing a local candidate.

Alleged Failure to include the proper sponsor identification for an independent expenditure advertisement:

- The political advertisement identified by CEMCP as an independent expenditure advocated for the re-election of Herb Baze and the defeat of Senator Tim Sheldon in the race for Mason County Commissioner.
- The ad contained a sponsor identification that stated, “Paid for by Citizens for Ethics in Mason County Politics” along with the mailing address of the sponsor. The sponsor identification did not include the required “NOTICE TO VOTERS” language or the “Top five contributors” required for an independent expenditure ad, or the party affiliation of the candidates supported or opposed.

In accordance with PDC policy, a warning letter has been sent to CEMCP regarding its incomplete sponsor identification. A copy of that letter is enclosed. No further enforcement action will be taken.

Alleged receipt of over \$5,000 in contributions from a single contributor within 21 days of the general election:

- You alleged that the Lester Krueger family contributed \$5,000 to the Herb Baze campaign in April 2004 and \$2,700 to CEMCP on October 25, 2004, and that the two contributions should be aggregated when considering whether the Lester Krueger family gave over \$5,000 to support Mr. Baze within 21 days of the general election. The treasurer for CEMCP stated that CEMCP operated independently from the re-election committee of Herb Baze and did not coordinate expenditures with the Baze campaign. In addition, the \$5,000 limit is confined to contributions received within 21 days of the general election which began October 12, 2004. None of the contributors disclosed on CEMCP reports exceeded the \$5,000 limit.

CEMCP’s lack of timeliness in filing its committee registration and initial contribution and expenditure reports was due in large part to inaccurate information supplied by PDC staff. Thus, we will not be taking enforcement action with regard to the late reporting.

After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against Citizens for Ethics in Mason County Politics.

Senator Tim Sheldon & David Overton

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If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853 or toll free at 1-877-601-2828.

Sincerely,

Vicki Rippie

Executive Director

Enclosure – Sponsor Identification Warning Letter

c: Citizens for Ethics in Mason County Politics, Brian Petersen